

An extension of democratic principles to our economic and social institutions would go a long way to reducing inequality

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*Inequality has grown substantially in Britain over the last few decades and **Mike O'Donnell** argues that there needs to be radical institutional reform if the underlying issues are to be adequately addressed.*



A substantial redistribution of income and wealth in Britain is highly unlikely to occur without a redistribution of power. Turkey's do not vote for Christmas and it would be naïve to imagine that the over-rewarded sections of Britain's elites will voluntarily accept substantial long-term material redistribution. Indeed last year in the maelstrom of the deepest recession since the nineteen thirties top bankers saw fit to greatly increase their income. From the point of view of the left the debate on equality needs to be reframed in the context of institutional democracy: the former will not occur without the latter.

Of course, there is a widespread rhetoric of anger in relation to inflated rewards. In the case of the political right, including the prime minister, this at best disguises limited intent. In any case without radical democratic institutional reform such minor adjustments in regulation that may occur could be easily eroded.

The travails of contemporary capitalism offer the left a huge opportunity to present a comprehensive alternative analysis and programme of action to neo-liberalism. Yet this has not happened. The Labour party leadership remains cautious after electoral defeat and while social movement activists have had some impact on specific issues they lack access to the institutional power that would enable substantial change. Despite their reservations, the parliamentary and extra-parliamentary left need to interact more closely to achieve greater clarity and momentum in relation to democracy.

A second phase of democracy leading to a national institutional revolution is necessary. The goals of democracy and equality are complementary but a substantial shift towards equality is unlikely unless its main beneficiaries are in a position to implement it. While there are many ideas on the left to extend democracy, there is need for theoretical integration and policy focus.

Most radicals want to see more mutuals and cooperatives, but when a critic as rightwing as Simon Heffer states that he has no problem with this and Cameron himself is in favour, a more developed and comprehensive analysis and programme is necessary.

The strategy and scale of implementation need to be adequately addressed. A new democratic revolution should build on the democracy of direct action and parliamentary democracy. Historically the socialist and communist lefts have identified primarily with greater material and cultural equality – 'bread and roses' (even though the majority have barely had a sniff of the 'roses'). Democracy has often run a poor second to equality in theory and certainly in practice. What is now required is the empowerment of the majority through democratic institutional revolution.

Liberal democracy is, of course, a form of equality in the minimal sense that (nearly) all citizens have an equal right to vote and to that extent express an opinion. However, the practical point about democracy pertains to power: it empowers individuals and groups either to maintain or change things. Political democracy is important for many reasons but it is not the only form of democracy. Nor should it be.

Wright Mills argued that in the United States, and by implication other Western democracies, decisive power was in the hands of the military, economic and political elites. Influenced by Mills, the American New Left adopted the term 'participatory democracy' meaning that people should have the right to be involved in the decisions that affect their lives. Many contemporary radicals might prefer the stronger term 'democratic control'.

The concept of 'institutional democracy' can encompass either approach but implies a substantial and ultimately decisive shift in organisational power to the majority of people at the national and local levels. Much of the work to achieve institutional democracy can be and to some extent is being done by social movement activists and some NGOs. However, the scale of change suggested here requires at some point a major programme of national legislation. Such legislation would not simply codify what has already been achieved but would also expand on it.

Economic democracy should be central to any plan to put democracy at the centre of a revived ideology and programme of the left. Large firms should have not just one or two but several employee delegates on the board with decision-making not merely consultative status. The principle that members of an organisation should be involved in running it should be widely extended. Thus, parents and students should have the right to be involved in running educational institutions.

The particular importance of democracy within education is that it would provide a learning ground for democratic practice in the wider society. Given that employees, parents and students have other commitments, the issues of payment and release from work would need to be properly addressed. By definition, delegates would be elected rather than appointed and be subject to recall and rotation – in the latter case periods of office holding would need to be of a practical length.

The left, including the Labour party, needs to put a second phase in the extension of democracy at the centre of its ideology and policy. On the scale argued here, this becomes a change not merely of degree but of quality. But first a democratic revolution has to be imagined and then spelt out in a way that carries popular conviction. The left needs to absorb the perspective of Weber and Wright Mills that bureaucracies, including industrial and financial corporations, tend to develop hierarchically and undemocratically.

If the socialist and communist parties of the early and mid-twentieth century had done this they might have come closer to creating the kind of societies they aspired to. However, as Milovan Djilas pointed out over half a century ago, many of these parties themselves became blighted by the curse of bureaucracy. These insights do not undermine Marx's vision of greater social equality and equality of cultural opportunity. Properly understood and implemented they make its achievement more likely. It is not a question of Marx or Weber. We need them both.

A second phase of democracy is likely to facilitate further equality. If the poorly or moderately paid acquire a significant or decisive say in the distribution of pay and rewards they are surely likely to reduce other huge inequalities that have developed in recent years. Further, the experience gained by 'ordinary' people through organisational democracy should over time erode the gap in skill and confidence between them and professional management enabling some to take on more demanding roles.

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About the author

Mike O'Donnell is Emeritus Professor of Sociology at Westminster University, London. He has published journal articles on ethnicity and globalisation, social theory and on nineteen sixties radicalism. His most recent publications include an edited four-volume collection of articles titled *Structure and Agency* (Sage, 2010) and *Sixties Radicalism and Social Movement Activism* (Anthem, 2010) co-edited with Bryn Jones.

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